



BOARD OF EQUALIZATION
LEGISLATIVE COMMITTEE MEETING AGENDA
HONORABLE JOHAN KLEHS, CHAIR
450 N STREET, SACRAMENTO, ROOM 122
NOVEMBER 28, 2001 9:30 AM

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1. Legislative Bills - Recommendations for Board Positions

PROPERTY TAXES

<u>Bill No.</u>	<u>Author</u>	<u>Date</u>	<u>Subject</u>	<u>Committee Rec:</u>	<u>Status</u>
1. AB 81	Migden	7/17/01	Property taxation: state-assessed property	Support	Senate Approp. Suspense

BUSINESS TAXES

2. SB 236	O'Connell	9/14/01	Dogs and cats: registration fee	Oppose	Senate Judiciary Re-referred
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2. 2002 Legislative Proposals

PROPERTY TAXES

2002 Legislative Proposals

Set forth below are suggestions for Property Taxes legislation to be sponsored by the Board in the second year of the 2001-2002 Legislative Session (see attachments). Additional suggestions will be included on the agenda for January, 2002.

Suggestion Number

- 1-6 Amend Sections 62, 62.1, 172, 172.1, 181, 194, 197, 441, 480.4, and 482 of the Revenue and Taxation Code to substitute “manufactured home” for “mobilehome.”**

Source: Property Taxes Department

Revenue Impact: None

Recommendation: Adopt

- 1-7 Amend Section 62.2 of the Revenue and Taxation Code to correct erroneous code section references.**

Source: Property Taxes Department and Legal Division

Revenue Impact: None

Recommendation: Adopt

- 1-8 Amend Section 69.5 of the Revenue and Taxation Code to permit base year value transfers for persons over 55 and the disabled who live in certain resident-owned mobilehome parks.**

Source: Property Taxes Department and Legal Division

Revenue Impact: None

Recommendation: Adopt

BUSINESS TAXES GENERAL

2002 Legislative Proposals

Set forth below are suggestions for Business Taxes legislation to be sponsored by the Board in the second year of the 2001-2002 Legislative Session (see attachments). Additional suggestions will be included on the agenda for January, 2002.

Suggestion Number

- 2-1** **Amend Section 830.11 of the Government Code to provide specified Board Investigations Division staff with limited peace officer status in order to increase their effectiveness and efficiency in conducting tax fraud investigations.**

Source: Investigations Division

Revenue Impact: None

Recommendation: Adopt

- 2-2** **Add Section 15618.5 to the Government Code to authorize Board Investigative Division staff to receive engraved pictures or photographs from the Department Of Motor Vehicles.**

Source: Investigations Division

Revenue Impact: None

Recommendation: Adopt

**Suggestion
Number**

- 2-3** ~~Amend Section 1808.4 of the Vehicle Code to make confidential the home address of specified Board Investigations Division staff to increase their efficiency and personal safety.~~

~~Source: Investigations Division~~

~~Revenue Impact: None~~

~~Recommendation:~~

- 2-4** Amend Sections 7154, 8404, 9355, 30481, 32556, 40188, 41143.8, 43607, 46706, 55365, and 60708 of the Revenue and Taxation Code to extend the time in which the prosecution for violating the penal provisions may be instituted, consistent with FTB laws.

Source: Investigations Division

Revenue Impact: None

Recommendation: Adopt

- 2-5** Add Sections 7157, 8407, 30482, 32558, 40189, 41143.9, 43608, 45957, 55366, and 60710 to the Revenue and Taxation Code to allow reimbursement for costs incurred in criminal investigations.

Source: Investigations Division

Revenue Impact: None

Recommendation: Adopt

**Suggestion
Number**

- 2-6** **Add Article 2.5 (commencing with Section 30210) to the Revenue and Taxation Code to require the tax, interest and penalties to become immediately due and payable on all unlicensed cigarette and tobacco products distributors. Also add Article 5 (commencing with Section 30355) to the Revenue and Taxation Code to facilitate the seizure and sale of assets to satisfy liens created due to this part.**

Source: Investigations Division

Revenue Impact: Potential reduction in accounts receivable

Recommendation: Adopt

- 2-7** **Amend Section 30473.5 of the Cigarette and Tobacco Products Tax Law to add felony provisions for the possession of fraudulent tax stamps or meter impressions with intent to evade the taxes.**

Source: Investigations Division

Revenue Impact: Potential to reduce current tax evasion

Recommendation: Adopt

- 2-8** **Add Sections 7093.6, 9278, and 50156.18 to the Revenue and Taxation Code to allow for the administrative authority to accept offers in compromise on final tax or fee liabilities under the Sales and Use Tax, the Use Fuel Tax, and the Underground Storage Tank Maintenance Fee laws.**

Source: Customer Services and Administrative Efficiency Committee

Revenue Impact: None, codifies and streamlines existing practices

Recommendation: Adopt

BUSINESS TAXES SALES AND USE TAXES

2002 Legislative Proposals

Set forth below are suggestions for Sales and Use Taxes legislation to be sponsored by the Board in the second year of the 2001-2002 Legislative Session (see attachments). Additional suggestions will be included on the agenda for January, 2002.

Suggestion Number

- 3-1 Add Section 6398 to the Sales and Use Tax Law to allow a credit to on-reservation retailers for any state retail sales or use tax paid to a tribal authority that levies a similar retail sales or use tax.**

Source: Honorable Johan Klehs

Revenue Impact: Pending

Recommendation: Adopt

- 3-2 Amend Section 7204 of the Bradley-Burns Uniform Local Tax Law to require all local sales or use taxes collected within the boundaries of an Indian reservation to be allocated by the Board to that reservation.**

Source: Honorable Johan Klehs

Revenue Impact: Pending

Recommendation: Adopt

BUSINESS TAXES**SPECIAL TAXES****2002 Legislative Proposals**

Set forth below are suggestions for Special Taxes legislation to be sponsored by the Board in the second year of the 2001-2002 Legislative Session (see attachments). Additional suggestions will be included on the agenda for January, 2002.

**Suggestion
Number**

- 4-2 Add Section 50113.05 to the Underground Storage Tank Fee Law to shorten the statute of limitations to three years with respect to the period in which the Board may issue a deficiency determination to a qualified absentee owner of an underground storage tank.**

Source: Fuel Taxes Division

Revenue Impact: Approximately \$400,000 annual loss

Recommendation: Adopt

- 4-3 Add Section 55046.5 to the Fee Collection Procedures Law to allow for relief of interest for late payment or filing of a tax return due to a disaster.**

Source: Special Taxes Department

Revenue Impact: Minor

Recommendation: Adopt

ADMINISTRATION

2002 Legislative Proposals

Set forth below are suggestions for Administration legislation to be sponsored by the Board in the second year of the 2001-2002 Legislative Session (see attachments). Additional suggestions will be included on the agenda for January, 2002.

Suggestion Number

- 5-1 Amend Section 19311 of, and add Section 19316 to, the Revenue and Taxation Code to allow financial disability suspension of statute of limitations on income tax refund claims.**

Source: Honorable Johan Klehs

Revenue Impact: \$1 million annual revenue loss

Recommendation: Adopt

Approved: /s/ Johan Klehs
Johan Klehs, Committee Chair

/s/ James E. Speed
James E. Speed, Executive Director

BOARD APPROVED

at the 11/29/01 Board Meeting

/s/ Deborah Pellegrini
Deborah Pellegrini, Chief
Board Proceedings Division